



# Financial Hardship Form

You may be able to receive funds from your 457 Retirement Investors' Club (RIC) account if you have an unforeseeable emergency that causes a financial hardship. In order for an emergency to comply with IRS regulations, it must be a severe financial hardship to the participant resulting from one of the below:

### Situations that might qualify for withdrawal

- Uninsured medical expenses & related lost wages
- Funeral expenses (legal dependent)
- Property damages not covered by insurance
- Loss of Spouse's employment or wages
- Foreclosure of or eviction from residence

### Situations that will not qualify for withdrawal

- Purchase or remodeling of your home
- Cost of education
- Payment on credit cards or loans
- Cost associated with divorce
- Payment of taxes

The Plan Administrator needs to know the nature of the emergency and the extent of your financial hardship to adequately and fairly evaluate your qualifications. The Plan Administrator must be able to determine whether your emergency complies with IRS requirements allowing a distribution to be made. The amount that may be distributed from the Plan is limited to the amount reasonably needed to meet the hardship. A substantial amount of information may be required in order for the Plan Administrator to make a determination. If you are approved for a hardship, the Plan requires you to suspend contributions for 6 months. You will not be eligible to receive any employer contributions to the 401(a) Employer Match Account during this time. After the six-month waiting period, you must complete a New Account & Change Form if you wish to re-start your contributions. You may want to consider whether suspending your contributions might alleviate some of your financial difficulties if you are not approved. You have this option at the end of the form. The Plan Administrator will notify you of the final decision by mail. If your request is denied and you disagree with the denial, you may request that the Director reconsider the request by submitting (within 30 days) additional written evidence of qualification or reasons why the request should be approved. Please keep a copy of this form for your records.

## 1. Personal Information

Name \_\_\_\_\_ Social Security # \_\_\_\_\_

Telephone Number (work) \_\_\_\_\_ (home) \_\_\_\_\_

Number of person(s) being supported in your household:

Total Number: \_\_\_\_\_

## 2. Withholding Information

You will have **10% federal and 5% State of Iowa income tax (Iowa residents only)** withheld unless you elect otherwise.

Federal No \_\_\_\_\_

State of Iowa No \_\_\_\_\_

## 3. Signature

I have read the above and understand the proposed claim and all provisions contained therein. I understand that these funds are taxable to me in the year that I receive them. I certify the information submitted on this Financial Hardship Form to be true and accurate. By signing below, I agree to all the conditions listed on page 2 of this form.

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Date

## For Office Use Only

Request Approved \_\_\_\_\_ Denied \_\_\_\_\_ Account Balance \_\_\_\_\_ as of \_\_\_\_\_

Approved by \_\_\_\_\_ Approved amount \_\_\_\_\_ Date \_\_\_\_\_

#### 4. Conditions

- The amount requested to be withdrawn is not in excess of my unforeseeable emergency.
- I have obtained all distributions other than hardship distribution available from all my past and present employers' plans in which I have funds.
- The financial hardship cannot be satisfied by reasonable liquidation of my actual and deemed assets to the extent the liquidation would not itself create an additional immediate and heavy financial need.
- I am unable to obtain sufficient funds to satisfy the financial hardship by borrowing from commercial lenders on reasonable commercial terms.
- I understand that following a hardship withdrawal, I cannot contribute to my deferred compensation account for 6 months.
- I understand any monies received must be reported as taxable income, and will be taxed as I requested in section 2 of this form.
- My social security number is correct.
- I understand that I am not eligible to receive a hardship distribution from my 401(a) Employer Match Account.

#### 5. Summary of Hardship

***Please "X" the line that best describes the condition of your hardship request. You must provide an explanation.***

\_\_\_\_\_ Sudden and unexpected illness or accident not reimbursed by insurance.

\_\_\_\_\_ Loss of property due to casualty not reimbursed by insurance.

\_\_\_\_\_ Other similar extraordinary and unforeseeable circumstances arising because of events beyond your control.

\_\_\_\_\_ Loss of Income (Provide dates and copies of pay stubs or other verification)

Explanation (attach additional sheets if required)

---

---

---

---

---

---

---

#### 6. Expenses Related to Hardship

***Please note that your request must be only for the amount necessary to cover your financial hardship.***

***Attach a copy of the statement(s) for each debt you are legally obligated to pay.***

***Attach additional sheets if necessary.***

Debt Owed	Amount
<b>Total Amount Needed</b>	<b>\$</b>

## 7. Current Monthly Living Expenses

Current Monthly Living Expenses (Do Not include non-reoccurring expenses or credit cards)	Monthly Payment	Current Monthly Living Expenses (Do Not include non-reoccurring expenses or credit cards)	Monthly Payment
Home mortgage payment or rent		Medical, dental, orthodontic expenses (not covered by insurance)	
2 <sup>nd</sup> mortgage payment		Insurance premiums (life, health, home, car, etc.)	
Electricity/ Gas		School expenses of dependents (tuition for private school/college & related expenses)	
Water/Sewer/Garbage		Automobile payment	
Telephone(s) (Cell Phone included)		2 <sup>nd</sup> Automobile payment	
Cable		Other vehicle expense (gas & maintenance)	
Food		Other transportation expense (rideshare, bus, parking, etc.)	
Child Care		Other (list)	
Child Support/ Alimony			
Clothing			
Miscellaneous			

Credit Card Information		
Creditor	Balance	Monthly Payment

Non-Reoccurring Expenses (list below)	Amount

## 8. Asset information

Please list all assets that could be liquidated without causing additional immediate financial need	
TOTAL ASSETS	\$

## 9. Current Monthly Income

*Please attach copies of you and your spouse's pay stubs.*

Source	Net Income (gross minus taxes, FICA, retirement, union dues, insurance)
Your Salary	
Spouse's Salary	
Child Support/Alimony	
Other:	
<b>TOTAL CURRENT INCOME</b>	<b>\$</b>

## 10. Totals

<b>TOTAL CURRENT MONTHLY NET INCOME</b>	
<b>MINUS</b>	
<b>TOTAL CURRENT MONTHLY LIVING EXPENSES</b>	
<b>CREDIT CARD PAYMENTS</b>	
<b>NET OVERAGE/SHORTAGE</b>	<b>EQUALS</b>

## 11. Contributions

*If your Financial Hardship request is approved, contributions will automatically be stopped. It is required that contributions be suspended for 6 months following the approval.*

*If your Financial Hardship request is denied, contributions will continue unless indicated below.*

\_\_\_\_\_ Please stop my contributions to the following accounts:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ All Accounts

Please return completed form to:

Iowa Department of Administrative Services  
Retirement Investors' Club  
Grimes State Office Building  
400 E. 14<sup>th</sup> Street  
Des Moines, IA 50319  
Fax Number (515) 281-5102

Form # 552-0665

July 2003